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THE

INTERIM

A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

JUNE 1986

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PERIODICALS

VOL. V. NO. 13

SPECIAL SESSION

On May 30, the Governor issued his long-awaited call for a special session to begin June 16. As stated in the call, the purpose of the session is to consider:

1. Appropriations to state and local government agencies and programs; and legislation implementing program changes, allocation of revenue, accounting procedures and budget modifications for state and local government agencies;
2. Legislation to increase the tax on gasoline and diesel fuel;
3. Legislation to establish a tax on regulated utilities to fund the Public Service Commission.

More than 50 bill drafting requests that have been submitted will be evaluated by the legal services director to determine whether they are within the call. Bill drafters will then inform each requestor of the determination.

JOINT INTERIM SUBCOMMITTEE ON VO-TECH EDUCATION/ JOB TRAINING

HOUSE BILL
12 REVIEWED

The subcommittee began its meeting of May 2 with review of House Bill 12, which enacted a special job training program for able-bodied general assistance recipients. Dave Lewis of SRS described his department's plan for implementing the measure. A local task force has been established for each of the 12 counties in which the state has assumed welfare services. Task force members typically include the county welfare director, the local Job Service manager, local legislators, low-income residents, county commissioners, and others. Each task force member will develop a

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program and select program operators to deliver a structured job search and training program for general assistance recipients.

Mr. Lewis estimated that about 65% of general assistance recipients are "able-bodied", and that the new program must enable 30% of these to find employment if it is to "break even". All funding comes from the department's appropriation for general assistance, and the new program must pay for itself by reducing the general assistance case load. In March there were approximately 2,400 recipients.

Gene Huntington, Commissioner of Labor, pointed out that selection of program operators may create a problem if there are competing proposals. He asked the subcommittee to indicate whether the state should make a selection in such cases or whether it should be left to the local task force. Representative Donaldson indicated that local task forces don't want to be "locked into" Job Service, and that in most cases the local task force can resolve the problem of competing proposals.

Lee Tickell of the Economic Assistance Division (SRS) presented SRS's rules for implementing House Bill 12. The department will hold its hearing on these rules on June 4.

VO-TECH
REORGANIZATION
DISCUSSED

The afternoon agenda was devoted to presentations and discussion of various governance models for the vo-tech system. Models were submitted by the Board of Regents (three models), the Superintendent of Public Instruction, the Billings Board of Trustees, and faculty members of the Helena and Great Falls vo-techs. The Missoula and Butte boards of trustees submitted statements on what governance changes would be acceptable by those boards.

The subcommittee voted on each governance model in order to narrow the range of recommendations for draft legislation. All models but the one submitted by the Billings Board of Trustees failed on tie votes. The Billings proposal includes a separate state board for vo-tech centers under the Regents and local vo-tech boards. The subcommittee also discussed the possibility of a statewide mill levy to support a state vo-tech system.

NEXT MEETING
IN JULY

The subcommittee's next meeting was tentatively scheduled for mid-July.

JOINT INTERIM SUBCOMMITTEE ON AGRICULTURAL
PROBLEMS

KALISPELL
MEETING
MAY 9-10

On May 9, the subcommittee heard public testimony on wildlife damage in northwestern Montana and toured various damage sites and sites using damage prevention techniques in the Big Fork and Kalispell areas. The subcommittee also received testimony from a number of local tree farmers, sportsmen, and landowners on the problems of wildlife damage that are unique to the Kalispell area.

Personnel from the Kalispell Department of Fish, Wildlife, and Parks arranged for the members to tour two tree farms, one that uses electric fencing and one that uses netting to discourage deer and elk damage to young trees and shrubs. The tour included observations on hunting problems in populated areas and wildlife damage to orchards and other agricultural products.

AG
LEGISLATION
CONSIDERED

The May 10 meeting was dedicated to the subcommittee's interim study on the economic problems of agriculture. At this meeting, the subcommittee heard testimony on draft legislation to address tax-shelter farming and problems in the quality of Montana grain shipped for export. This legislation consisted of proposals to: (1) limit the amount of net farm losses that would be allowed as a deduction against nonfarm income for Montana individual income tax purposes (proposed by Representative Gay Holliday); and (2) establish a system for the transportation, handling, and marketing of a "100% Montana limited blended grain" (proposed by Representatives James Schultz and Bill Glaser). The subcommittee took no formal action on either proposal.

At the May 10 meeting, the subcommittee also heard testimony concerning: (1) implementation of HB 11, enacted during the March special session, which provides for a state agricultural assistance and counseling program to aid financially distressed farmers; (2) problems in the administration of the Agricultural Production Loan Linked Deposit Program, which was established by SB 7 enacted during the March special session; and (3) operation of the Montana Beginning Farm Loan Program.

The next meeting of the subcommittee will not be held until later this summer.

JOINT INTERIM SUBCOMMITTEE ON LIEN LAWS

JUNE 15
MEETING

Adoption of final recommendations on laws providing for exemptions from executions will be the only business on the agenda of the Joint Interim Subcommittee on Lien Laws at its meeting at 1:30 p.m. Sunday, June 15, in the Governor's reception room.

Senator Mike Halligan, chairman of the subcommittee, said the recommendations on lien issues other than the mechanic's lien law, which was considered on April 25, will be made at a meeting after the June special session.

JOINT INTERIM SUBCOMMITTEE ON LIABILITY ISSUES

JUNE 14
ORGANIZATIONAL
MEETING SET

The first meeting of the Joint Interim Subcommittee Liability Issues created under SJR 1 of the March special session is scheduled for 10 a.m., Saturday, June 14, in the Governor's reception room.

Senator Bob Brown, the senior Senator, called the meeting during which the subcommittee will elect officers, adopt a study plan, hear preliminary reports, and schedule future meetings.

ENVIRONMENTAL QUALITY COUNCIL

"RIGHT-TO-
KNOW" LAW
CHANGE

At its May 13 meeting, the Environmental Quality Council formally agreed to seek legislative consensus for amending the Employee and Community Hazardous Chemical Information Act during the June special session. Specifically, the council proposes to make the recording of material safety data sheets voluntary rather than mandatory.

The council's resolution reflects a desire to balance the costs of compliance by employers with the public's need for information about hazardous chemicals. At the same time, reducing the amount of chemical information that must be recorded will substantially reduce overall recording costs and is expected to increase compliance with the right-to-know law. Legislators are encouraged to contact EQC for more information on this issue.

SUBDIVISION
LAWS UNDER
REVIEW

The afternoon session of the May 13 EQC meeting focused on Montana's subdivision laws. Council members and citizens representing virtually all perspectives on subdivision regulation participated in four working-group discussions. The discussions, which were intended to indicate possible

avenues for consensus legislation, focused on the purposes of subdivision regulation, local review requirements, the state role in subdivision review, and the definition of a subdivision. This information will be used to prepare a "concepts" paper during the summer and in organizing a conference on responsible and innovative subdivision regulations in September.

LEGISLATIVE AUDIT COMMITTEE

MEETING
JUNE 14

The Legislative Audit Committee will tentatively meet June 14 at 9 a.m. in Room 129 of the Capitol. Reports to be discussed include:

Montana State University
Northern Montana College
University of Montana
Butte Vocational Technical Center
Department of Justice
Commissioner of Higher Education
Coal Board Performance Audit

Copies of all reports are available upon release by the Legislative Audit Committee from the Office of the Legislative Auditor, Room 135, State Capitol, Helena, MT 59620, telephone 444-3122.

LEGISLATIVE COUNCIL

BUDGET
ISSUES
CONSIDERED

At its May 16 meeting the Legislative Council voted to:

--introduce a bill in the June special session to transfer \$500,000 in profits from sales of the Montana Code Annotated to the general fund;

--investigate creating a revolving fund for the Interim so that its distribution might be more vigorously pursued with non-legislative subscriber charges paying for the additional cost;

--cut 5% (\$114,445) from the council's 1987 fiscal year budget primarily from equipment, computer services, and legislative and staff travel.

SPECIAL MEET-
ING PLANNED

The council plans to meet during the June special session at the call of Chairman Kolstad.

LEGISLATIVE FINANCE COMMITTEE

MEETING
EARLY JUNE

The Legislative Fiscal Analyst is preparing updated revenue and general fund balance

projections as well as reviewing executive budget proposals for the June special legislative session. The Legislative Finance Committee will meet in early June to receive these reports.

COAL TAX OVERSIGHT SUBCOMMITTEE

COAL BENEFICIATION

A tour of Western Energy Company's coal beneficiation project in Butte by the Coal Tax Oversight Subcommittee is set for Thursday, July 17.

TAX INCENTIVE REVIEW JULY 17, 18

On Friday, July 18, the oversight subcommittee will conduct the review of the New Coal Production Incentive Tax Credit as required by HB 607. The hearing will be in the old Supreme Court chambers on the third floor of the Capitol.

REVENUE OVERSIGHT COMMITTEE

MAY 9 REPORT

The Revenue Oversight Committee held its eighth meeting of the interim on May 9 in Helena. Topics of discussion included the state's liquor operations, property tax protests and delinquencies, and a request from House Speaker John Vincent for a "comprehensive, all-inclusive tax study".

TWO SPECIAL MEETINGS PLANNED

The committee has tentatively scheduled two meetings during the June special session. The first meeting will be for the purpose of recommending a solution to the state's problem resulting from declining liquor profits, and to discuss a bill draft addressing property tax protests.

At this time, a ROC subcommittee is still reviewing several alternatives for the state liquor enterprise. The alternatives include: the closure of several liquor stores and revising commissions paid to agency stores converting the agency stores statewide; and converting to a franchise-type of system. No recommendation is expected until the first week of the special session.

The bill draft on property tax protests is in the process of being drafted. It will be prepared for the special session.

The second meeting will be for the purpose of discussing Speaker Vincent's request for a comprehensive tax study. The staff is in the process of developing a study outline that would, if followed, accomplish this task. The study outline

will be presented to the committee at the second meeting.

In addition, Steven Gold, director of fiscal studies for the National Conference of State Legislatures, will be on hand to share his experience with other states' comprehensive tax studies. Mr. Gold has been personally involved in several studies of this type, most recently Minnesota's (purported to be one of the best state tax studies), and Nebraska's, which is just getting started.

LATER PLANS ALTERED

Due to budget constraints, the committee also decided to combine the tentatively scheduled July meeting with the September meeting. Consequently, the committee will meet for two days in September, probably the 11th and 12th.

WATER POLICY COMMITTEE

JULY 14 MEETING DATE

July 14 has been selected as the date for the next Water Policy Committee meeting. The committee will examine Montana's water reservation system and interstate water issues, as well as other water policy topics. The meeting, which will be held in Billings (tentatively at the Northern Hotel), will be followed on July 15 by a conference in Billings on Missouri River basin water issues, sponsored by the National Conference of State Legislatures. The conference will gather legislators from the ten Missouri Basin states in an effort to enhance communication and understanding among the state legislatures on this important natural resource topic.

RECENT AGENCY REPORTS

EQC

- ° A Summary of the Working Group Discussions on Subdivision Regulation
- ° Summary of Issues Relating to the Proposed Community Right-to-Know Amendment

LEGISLATIVE COUNCIL

- ° Summary of Wyoming's Local Option Sales and Use Taxes
- ° Fiscal Authority for Legislative Activity Prior to Special Session
- ° School District Budget Process -- An Overview
- ° State Employee Salaries and Collective Bargaining -- Legislative Considerations

LEGISLATIVE INTERIM CALENDAR

JUNE

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1 (1)	2	3 PRIMARY ELECTION	4	5	6	7
8	9	10	11	12	13	14 Leg.Audit Comm. rm.129-9am Subcom.on Liability-10am
15 LIEN LAW COM. 1:30pm	16 ***** INFRASTRUCTURE COM.-8am	17 ***** SPECIAL SESSION	18 *****	19 *****	20 *****	21 *****
22	23 *****	24	25	26	27	28 *****
29	30					

*ALL MEETINGS ARE SUBJECT TO CHANGE

LEGISLATIVE INTERIM CALENDAR

JULY

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4 INDEPENDENCE DAY	5
6	7	8	9	10	11	12
13	14 EQC-Water Policy - Billings	15	16	17 CIO-Western Energy Tour - Butte	18 CIO - Old Supreme Court	19
20	21	22	23	24	25	26
27	28	29	30	31		

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